

Social Services Reform: Overview of 2017 Legislation

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S.L. [2017-41 \(H 630\)](#), as amended by S.L. 2017-102 ([H 229](#))

Rylan's Law/Family and Child Protection and Accountability Act

This session law is expansive in scope and addresses many different social services topics. Each topic that is related to social services system reform is summarized below.

Part I. Regional Supervision and Collaboration

This part focuses primarily on the need to (1) enhance state supervision of the administration of social services programs by the counties and (2) improve collaboration between counties. The N.C. Department of Health and Human Services (DHHS) is required to submit a plan for establishing regional offices to the General Assembly by November 15, 2018, with the expectation that the system of regional supervision will be operational by March 1, 2020.

In developing the plan, DHHS must take into consideration recommendations from the *Social Services Regional Supervision and Collaboration Working Group* (Working Group). The Working Group will have 18 members representing different groups and stakeholders, including legislators, DHHS, judiciary, county commissioners, social services directors, and social services attorneys. There will be two co-chairs, one from the Senate and one from the House of Representatives. The UNC School of Government is required to convene the Working Group, facilitate the meetings, and provide administrative and technical support to the effort. The co-chairs are authorized to establish ad hoc subcommittees to gather information from various experts and stakeholder organizations.

The Working Group is required to prepare two reports. The first is due by April 15, 2018 and must include recommendations regarding:

- The size, number, and location of the regional state offices.
- The allocation of responsibility between central/Raleigh, regional, and local/county officials in supervising and administering social services programs.
- Methods for holding the regional offices accountable for performance and responsiveness.
- Information sharing between the regional offices and the boards of county commissioners regarding local department performance.

- Options for authorizing the board of county commissioners to intervene in program administration prior to the state assuming direct control of service delivery.

The second report is due by February 1, 2019 and must include:

- Recommendations regarding legislative and regulatory changes necessary to improve collaboration between counties. Specifically, the recommendations must address information sharing, conflicts of interest, and intercounty movement of clients.
- A vision for transitioning the State from a county-administered system to a regionally-administered system.

It is important to note that earlier versions of the legislation would have required the state to implement a regionally-administered social services system. The version of the law that was adopted requires regional *supervision*, and directs the working group to consider the issue of regional *administration*.

Part II. Reforming State Supervision and Accountability

This part directs the Office of State Budget and Management (OSBM), in consultation with DHHS, to contract with an outside organization (contractor) to develop a plan to reform the State supervision and accountability for the social services system. It identifies two components of the plan: system reform and child welfare reform. These components are described in more detail below. The contractor is required to submit a preliminary report to the General Assembly 180 days after the contract is finalized. After that report, the contractor must submit bimonthly progress reports. DHHS is required to submit preliminary recommendations for legislative change by October 1, 2018 and may submit supplemental recommendations as necessary.

System reform plan

The contractor will be required to evaluate the role of the state, develop a new vision and strategic direction for the social services system, and develop a plan for reforming the overall system to improve outcomes, supervision, and accountability. It must also develop a plan related to data collection and use and create a Dashboard using data from the NC FAST system. The purpose of the Dashboard is to serve as a report card for the public to see how the local departments are performing. The contractor is also required to develop a plan for continuous quality improvement (CQI).

In the context of the system reform plan, the contractor will be required to review policies and procedures to identify changes necessary to support reform. It will also need to provide ongoing evaluation and oversight of DHHS's implementation of system reform.

Child welfare reform plan

As part of the system reform plan, the contractor is also required to develop a specific plan focused on child welfare reform. The plan must include recommendations regarding child protective services, preventive and in-home services, child fatality oversight, placement, permanency, health, mental health, and educational services for children and families, services for older youth and those who have aged out, and staff training and compensation. It must also address a long list of specific practice-related issues.

Part III. County Contract/Corrective Action/State Intervention

This part amends G.S. 108A-74, which is a statute that authorizes the state to intervene in county child welfare programs in certain circumstances. The amendments expand the scope of the statute beyond child welfare and also provide additional mechanisms for oversight and intervention.

Initial contracts (FY 2018-19 and FY 2019-20)

Beginning next fiscal year (2018-19), counties will need to enter into a contract with the State that specifies (1) performance requirements and (2) administrative responsibilities. The contract will govern all social services programs other than medical assistance, which will include child welfare, adult protective services, public assistance, and child support enforcement. DHHS may develop a standardized contract for all 100 counties or it may develop contracts that are more tailored to the needs of individual counties.

The law does not include many details about the substance of the contract but it does require:

- When possible, the performance requirements must be “based upon standardized metrics utilizing reliable data.”
- The administrative responsibilities must address, at a minimum, staff training, data submission, and communication with DHHS.

The agreement may also authorize DHHS to withhold State or federal funds in the event of noncompliance.

Contracts beginning FY 2020-21

Beginning in FY 2020-21, there are some changes to the contract specifications and the consequences for noncompliance.

- The details described above are unchanged except that the performance requirements required in the contract must be based on data in the Dashboard developed by the contractor (see Part II, above) and other reliable data.
- If a department fails to comply with the contract or applicable law for 3 consecutive months or for 5 months within any consecutive 12-month period, DHHS and the department must enter into a corrective action plan.

- If the department fails to complete the corrective action plan, DHHS must direct the regional office to temporarily assume all or part of the department's social services administration. Prior to doing so, DHHS must provide 30 days' notice to the board of county commissioners, department, county manager, and board of social services.
- Once DHHS determines that the department is able to meet performance requirements, it must restore administrative responsibilities to the department. Prior to doing so, it must provide notice to county officials.

DHHS is required to submit various reports over time to the General Assembly regarding the contracts and corrective action.

Part IV. Regional Social Services Departments

As mentioned above, earlier versions of the legislation would have required a new system of regional social services departments. The version that was enacted directs the Working Group to broadly consider the idea of regionalization and also authorizes counties to create regional departments on their own initiative beginning in March 2019. Some highlights about regional departments:

- They may provide the full array of social services or limit the scope to one or more selected programs or services. For example, a group of counties could decide to create a regional department that focuses only on child support enforcement.
- They will be public authorities, which means they will be separate legal entities from the county. They will have independent authority related to budgeting, contracting, personnel, etc.
- Boards of county commissioners, together with the social services governing board, will have the authority to decide whether to create or join a regional department. The board or boards of county commissioners will have the exclusive authority to decide whether to withdraw from or dissolve a regional department. Withdrawals and dissolutions may be effective only at the end of a fiscal year.
- They must maintain a physical presence in each county.
- Participating counties are required to contribute financially to the regional department. The Social Services Commission is required to adopt rules governing financial contributions.
- They will have a governing board appointed by a combination of county commissioners, the Social Services Commission, and the sitting members.
- They will have a director who has the same powers and duties as a county social services director, as well as the authority to enter into contract.

The session law included several conforming amendments to other statutes to accommodate the concept of a multi-county social services agency. One of the most significant changes was to G.S. 7B-400(a), which was amended to provide that

(1) a proceeding may be commenced in the judicial district where the juvenile resides or is present *at the time the petition is filed* and

(2) if a regional department includes more than one judicial district, the department must file in the district where the child resides or was present *when the report was received*.

Like the other provisions in this Part, this amendment is effective March 1, 2019.

Part V. Child Well-Being Transformation Council

Effective immediately, the state is required to establish a new 17-member Child Well-Being Transformation Council that must focus on improving coordination, collaboration, and communication among agencies and organizations that provide public services to children. Membership of the group is prescribed in the law and includes representatives from different public and private stakeholders. The Legislative Services Commission will be responsible for staffing the Council.

The Council is required to focus initially on

- identifying the relevant child-serving agencies and organizations;
- identifying problems with coordination, collaboration, and communication in child welfare; and
- researching the role of entities like the Council in other states.

After March 1, 2020, the Council is charged with monitoring the reforms that will be underway, identifying gaps in coordination, collaboration, and communication, and recommending changes necessary to remedy the gaps.

Other Provisions Unrelated to System Reform

- **Part VI. Driver's License Pilot Project**
- **Part VII. Pilot Waiver for IAFT Foster Parents**
- **Part VIII. Termination of Parental Rights/Appeals**
- **Part IX. Reducing the Time Period for Foster Care Licensure.**
- **Part X. DSS Observation before Reunification (Rylan's Law)**